

years since Wei took over. COSCO's reputation has evolved from that of a rate-cutter trying to elbow its way into the trans-Pacific and Europe-Asia trades into a first-tier carrier whose rates have reached parity with its CYKH alliance partners, "K" Line, Yang Ming and Hanjin.

By contrast, China Shipping Group, COSCO's arch-competitor and one of China's other state-owned shipping companies, is now widely regarded in the industry as a company that is more prone to cut rates. Wei said COSCO currently ranks as the world's seventh, "or sometimes the sixth," largest container carrier, and that China Shipping ranks 10th. Wei predicted COSCO will be among the five largest lines by 2010.

Though China Shipping is growing faster than COSCO because its container business is emerging from a smaller base, COSCO is "expanding faster in all segments of shipping," including tankers, dry bulk carriers and specialized project cargo vessels, Wei said. He said he was especially proud of two new semi-submersible project cargo vessels delivered last year that were designed to carry and anchor offshore oil rigs, using new technology to pinpoint locations.

Wei said COSCO and China Shipping compete, but that he does not regard the competition as a "threat alone" to COSCO's business. "We have been trying to establish a new kind of cooperative relationship between carriers." COSCO and China Shipping began discussing some kind of "cooperative relationship" in 2000, but the relationship has not been defined.

Both companies are "100 percent state-owned, so it is very natural that we have the same language," Wei said. "COSCO is always making great efforts to upgrade and strengthen the good relationships between the two companies. We are not part of each other, maybe one day through the stock market." He defined this cooperation as vessel-sharing alliances and slot-sharing agreements, the kind of cooperation COSCO is conducting with its CYKH partners. "Cooperation can benefit COSCO and China Shipping," he said. "Each company has got its own operational competitiveness, but neither of us can cover every corner of the market, so there is the opportunity to cooperate."

Wei's polite words about his competitor mask the fierce rivalry that has developed between the companies and between Wei and China Shipping President Li Keilin, whom many in the industry believe has the access to the ears of China's leaders. China Shipping has been expanding its fleet rapidly and is atop the list of new ships on order. It will deploy 8,500-TEU container ships in the transPacific this summer.

Yet COSCO is not standing still. It added seven new ships, with total capacity of 20,000 TEUs, in 2003. It has ordered another eight vessels with a total capacity of 54,000 TEUs. Five of these, totaling 37,500 TEUs, will be delivered this year. Another eight vessels with capacity of 68,000 TEUs have been chartered. This will bring COSCO's total container capacity to 300,000 TEUs by year-end.

Wei said COSCO's fleet capacity will expand to 320,000 TEUs next year, to 420,000 TEUs by 2007 and to 600,000 TEUs by 2010, the year in which he predicts it will join the ranks of the world's top five container lines.

China Shipping plans to stay hot on COSCO's heels. Its China Shipping Container Lines subsidiary plans to expand its fleet to a total capacity of 500,000 to 600,000 TEUs by 2010. China Shipping's Li has been quoted in the Shanghai press as hoping its container fleet will attain a capacity topping 350,000 TEUs by the end of 2005.

Container shipping is only part of COSCO's business. Logistics is another part that is

"growing very rapidly," Wei said. Revenue from COSCO Logistics, established as a separate unit three years ago, increased by what he called a "surprising" 50 percent in 2003. "We are going to expand our logistics business (to) take advantage of the booming Chinese economy and further strengthen our competitiveness," Wei said.

COSCO faces competition in its logistics business from another state-owned company, Sinotrans, which also competes with its container business. The container competition now appears to be easing, because "Sinotrans has gradually transformed itself into an international logistics provider rather than a global liner operator," Wei said. Sinotrans ended its service in the Asia-Europe trade lane in 2002 to concentrate on the trans-Pacific and intra-Asia trades, "so based on the transformation of the business strategy, its liner business in major east-west trade lanes will not be further expanded in the future."

How does COSCO plan to finance all of this additional container capacity and logistics growth? "I believe getting listed on the stock market is certainly a good choice," Wei said. COSCO has listed seven of its subsidiaries in both domestic and overseas stock markets, he said. Two of them are what he called "blue chip" stocks. COSCO Pacific became a component of the Hang Seng Index in Hong Kong last year, and COSCO Singapore became part of the Straits Times Index in Singapore this month. Both are the equivalent of the Dow Jones Industrial Index on the New York Stock Exchange.

The Big Board is also on Wei's radar screen. "We will list in the U.S. stock markets soon. We want to list our core business on the New York Stock Exchange," he said. "COSCO has a very good reputation, so its listing in New York will be very attractive."

China Shipping is planning to take a leaf from COSCO's book by listing the stock of China Shipping Container Lines in an initial public offering on the Hong Kong Stock Exchange as early as May. The IPO is supposed to raise up to \$2 billion, though Hong Kong analysts have expressed skepticism that it would reach that amount. The \$2 billion estimate appears high for a company that posted losses from its establishment in 1997 until it finally earned a profit last year.

This rapid expansion by Chinese shipping companies comes amid the boom in China's containerized trade. "China's rapid growth in economy and trade has become the main engine to drive the international shipping market," Wei said. China's containerized trade increased by 11 million TEUs to a total of 48 million in 2003, pushing China into first place globally, ahead of the U.S. with 40 million TEUs last year. COSCO forecasts that China's containerized trade will grow by another 5 million TEUs this year.

Wei is someone who has set and attained goals throughout his career. Born in 1949—the year the People's Republic of China was formed—into a peasant farming family in Jiansou Province, he served at sea from the late 1960s through the early 1980s. He was then named to a senior post at a COSCO subsidiary, Guangzhou Ocean Shipping Co., where he witnessed the initial steps taken by China's then-supreme leader Deng Xiaoping to open the region adjacent to Hong Kong to economic development. He earned a master's degree in shipping management.

As he rose through the ranks at COSCO, he managed a joint Chinese-Tanzanian government shipping company and subsequently ran COSCO's Tianjin-based bulk shipping division. As chief executive, he is confronting perhaps his biggest challenge: transforming COSCO from a traditional shipping concern into a logistics services provider, a central element of the company's long-term stra-

tegic plan. Container shipping, which accounts for more than half of the group's revenue, is affected by the unpredictable and wild gyrations of global freight rates, a reality that has forced COSCO and other companies to diversify into sectors more likely to yield stable and higher margin earnings.

Wei has a window of opportunity to accomplish this goal. He said he expects cargo demand will stay ahead of the increase in the supply of new ships. "Looking ahead, the ship order book remains at a moderate level, so the market over the next 12 months will be demand-driven," he said. "In the container shipping market, supply will rise by 7 percent this year, and demand will increase by 8 percent, which means freight rates will continue to rise." He said demand will stay ahead of supply for the "next two or three years."

But Wei is concerned that the long list of shipbuilding orders will catch up with demand after that and affect the shipping market. "Therefore, I am obliged to ask everybody in this industry to work together and slow down this unreasonable fleet expansion and keep the market stable."

That's what has the industry reading the tea leaves to try to figure out what he meant with his Long Beach speech's references to cooperation. "I think what he meant is that carriers and shippers have to get together to agree to even out supply," said Howard Finkel, senior vice president of trade at COSCO North America Inc. "We have anti-trust immunity; we need to use it better." He said one forum for this discussion might be the Transpacific Stabilization Agreement, where carriers and shippers can discuss rates and set voluntary rate guidelines. COSCO plans to accomplish this fourth goal of Wei's, Finkel said, because it is "determined not to be the wild man out."

FORTH WORTH IS ONE OF AMERICA'S MOST LIVABLE CITIES

HON. MICHAEL C. BURGESS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2004

Mr. BURGESS. Mr. Speaker, I rise today to congratulate the city of Fort Worth on being named one of nine "America's Most Livable Cities" by the Partners for Livable Communities." In order to be recognized, Fort Worth was compared with other cities throughout our Nation and judged on creativity and the ability to prepare for the new economy.

America's Most Livable Communities is a project of Partners for Livable Communities, a national non-profit organization working to restore and renew America's communities. Founded in 1977, Partners was the first national group to raise the banner of livability as both a consumer goal and a standard of excellence for municipal performance. This new project recognizes the necessity for communities to increase the standards for quality of life in order to attract better businesses and promote economic growth.

As one of the nine cities recognized in the large cities category, Fort Worth is recognized as a place where the economy is strong, the community is handling challenges and it is able to respond quickly to difficult situations. Fort Worth has shown to have long term strategies that are driven by quality of life standards. As a city it ensures that the climate, setting, intelligence of the labor force, downtown amenities, partnerships, and leadership agendas are above the standards necessary to survive.

Fort Worth has been able to maintain the Nation's third largest cultural district to supplement the incorporation of modernization and community outreach. Partners are impressed with efforts to transform many of Fort Worth's older, central city commercial districts into vibrant urban communities. The City Council has worked with private developers, business groups and neighborhood associations to create 13 urban communities, all with unique qualities specific to the areas they serve. These urban communities help promote the inner city as an appealing alternative to the basic and usually overcrowded parks and subdivisions common to suburbs. Inner-city villages also serve as methods for public and private ventures to support and renew economic activity to downtown Fort Worth. Buildings are able to be connected with neighborhoods effectively without depriving citizens of the quality of life they were seeking in the suburbs.

In 2001, Fort Worth established the goal of being the most livable city in Texas. As the only Texas city recognized by Partners at the America's Most Livable Awards Program on April 20th, 2004, that goal has been achieved. I commend the city on setting its goals and standards high. It is my hope that we can continue to keep the bar high and continue to strive for excellence.

RECOGNITION OF THE CITY OF
LONG BRANCH'S CENTENNIAL
CELEBRATION

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2004

Mr. PALLONE. Mr. Speaker, it is with great honor that I have the opportunity to recognize the city of Long Branch in honor of their centennial celebration of incorporation. In 1903, Long Branch was formally incorporated as a city, but its rich history predates this initial incorporation, and dates as far back as 1498, when Long Branch was first explored by John Cabot.

The land, which makes up current day Long Branch, was claimed by Henry Hudson in 1664, and then purchased from the Native American Leni Lenape tribe in 1668 by European settlers seeking religious freedom. The newcomers named the settlement "Long Branch" after the long branch of the Shrewsbury River that is located at the northern end of the city.

Much like their Native American neighbors, the first settlers created a self-sustaining community that relied on hunting, gathering, and fishing to survive. Those hardy people (as well as the town they resided in) existed in relative isolation until the 19th century, which is when Long Branch entered its "Golden Age." During that period, commerce in the American northeast grew, and the Long Branch area began to expand rapidly. Due to the town's proximity to the coast, and the natural beauty of the region, leaders in finance, theatre, politics, and the military flocked to Long Branch by the hundreds to enjoy the area's treasures. Individuals from New York, Philadelphia, and Washington D.C. made Long Branch the premier vacation destination. At the height of its Golden Age, Long Branch became the most

glamorous summer resort location of the Northeast. Among the notable visitors were General Winfield Scott, actor "Buffalo" Bill Cody, and writers such as Bret Harte and Robert Louis Stevenson.

Most importantly, Long Branch became the nation's summer capital. Several United States Presidents summered in Long Branch. Among them were Chester A. Arthur, Rutherford B. Hayes, Benjamin Harrison, William McKinley, Woodrow Wilson and Ulysses S. Grant, who visited the area every summer during his Presidency and many summers thereafter. President James A. Garfield, after he was mortally wounded by an assassin's bullet, left Washington D.C. for Long Branch to recuperate from his wounds. Unfortunately he died shortly thereafter, in the Elberon section of the city.

Long Branch began experiencing major changes in the early 1920's, after gambling was outlawed and other cities began competing for tourism. It became a city of permanent residents with a business and manufacturing center. Long Branch continues to be a city of changes. The beachfront that had lured (and still lures) many tourists is being redeveloped. More small businesses are coming into town and expanding operations. Many of the homes of the Golden Age of Long Branch are being restored as a tribute to the beauty and history of the region. The city is more conscious of its historic sites, but also of the various ethnic groups, religious and cultural organizations that have created the melting pot that is today's Long Branch.

Mr. Speaker, I would like to ask my fellow colleagues to acknowledge the City of Long Branch for its one-hundredth anniversary of incorporation, and join me in wishing the city many more years of rich history and prosperity.

PERSONAL EXPLANATION

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2004

Mr. FRELINGHUYSEN. Mr. Speaker, on Tuesday, April 20 I was in my District in New Jersey attending services associated with the funeral of Lieutenant John Wroblewski (United States Marines) of Jefferson Township.

As a result, I was not in attendance in the House for several recorded votes.

On rollcall No. 118, designating the Richard Wilson Post Office, I would have voted "aye."

On rollcall No. 119, designating the John J. Pershing Post Office, I would have voted "aye."

On rollcall No. 120, designating the Dosan Ahn Chang Ho Post Office, I would have voted "aye."

HONORING THREE GENERATIONS
OF MITCHELL BRONZE MEDALS

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2004

Mr. PICKERING. Mr. Speaker, the United States Army reserves the Bronze Star for sol-

diers who distinguish themselves through heroic or meritorious achievement or service. The Army has awarded this, its fourth highest honor for military personnel, to three generations of the Mitchell Family. I rise today to honor their service to this nation.

First Sergeant David Mitchell and his son Sergeant Brian Mitchell recently returned from active duty in Iraq. For their achievements and dedication to our nation's military, they have both been awarded the Bronze Star. They are the second and third generations of this family respectively to earn this medal, following in the steps of David's father R.L. Mitchell. David is a native of Calhoun City and Brian lives in Forest, in the heart of my district.

The Mitchells are part of the thirty-two members of the Mississippi National Guard recently decorated with the Bronze Star for their service in Operation Iraqi Freedom; all but one from the 223rd Combat Engineer Battalion based in West Point, Mississippi. The other, Raymond resident Lt. Col. Ellis Riser is of the 168th Engineer Group in Vicksburg.

While in Iraq under the constant threat of attack from Iraqi militants and foreign terrorists, the Mitchells conducted engineering projects, secured the operations of our military's computer operations and even helped Iraqi schools.

David Mitchell received the award on his birthday and said, "As a father, it makes me real proud to serve my country and have my son by my side." In addition to Brian, another of David's sons also serves in the Army. I am proud, as a Congressman, that we have patriotic and dedicated men in Mississippi serving our nation and that they instill these characteristics as part of a family tradition.

Brian Mitchell told his hometown newspaper, the Scott County Times, "I joined in part because of the G.I. Bill and the education benefits but there was also a family tradition. I also wanted to serve my country." Brian said family is important to him and his unit became a second family to him. His family back at home, his wife Stacy and his children Dusty, Katie, and Alex all missed him, and their grandfather David. Just as they are, I'm glad Brian and David are home after fulfilling their missions.

These men, and many men with them, are heroes and I'm proud not only they are recognized for their achievements as American military men, but also that they have shown the tradition of Mississippi values to their fellow servicemen, and across the world to the people of Iraq. Honor is earned; not given. Mr. Speaker, the Mitchells have earned this honor.

TRIBUTE TO JOHN CONRAD
KAPTUR

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2004

Ms. KAPTUR. Mr. Speaker, it is a great privilege today to offer respectful words for history to pay tribute to John Conrad Kaptur on behalf of the entire Kaptur family—his wife Rita; children Stephen, Christopher, Renee, James/Christine, Kenneth, Regina/Jeff; sisters Virginia, Lillian, Christine; and the grandchildren Nicole, Michael, Cassandra, Ashley, Brittany, Jacob, and Lucas. Let us honor his beautiful life. Surely, he is loved.